



17 February 2022

ASX Market Announcements Office  
Australian Securities Exchange Limited

Dear Sir/Madam

**ASX Market Announcement**

In accordance with the ASX Listing Rules, Integrated Research Limited (ASX: IRI) encloses for release to the market:

- FY2022 Half Year Results

to be followed by release to the market of:

- FY2022 Half Year Financial Results Briefing

By authority of the Board

David Purdue  
Company Secretary  
Integrated Research Limited  
ABN: 76 003 588 449



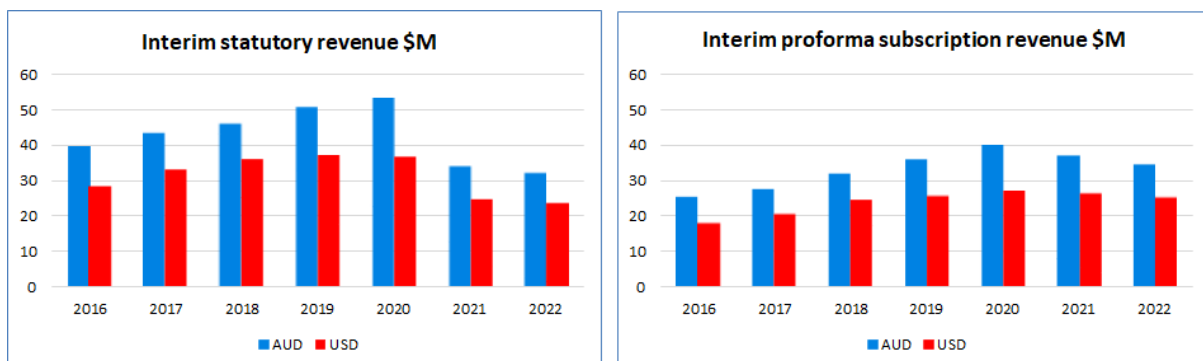
## Integrated Research Limited Reports First Half Results

**Sydney, Australia, 17 February 2022** – Integrated Research (ASX:IRI) the leading global provider of user experience and performance management solutions for Unified Communications, Payments and IT Infrastructure today released its results for the six month period ended 31 December 2021.

The Company achieved Total Contract Value (TCV) of \$31.7 million for the six months to 31 December 2021, representing an 8% increase over the previous corresponding period. Pleasingly, new business TCV of \$12.2 million increased by 88% against the equivalent prior half.

The Company reported profit after tax of \$1.8 million and revenue of \$32.3 million for the half year ended 31 December 2021. Strong revenue results from Asia Pacific (up 80%) and Europe (up 19%) were offset by revenue falls in the Americas (down 24%). The Company’s cloud and hybrid solutions are gathering momentum with approximately 440,000 users on the platform, representing 424% growth since the start of the financial year. The Company anticipates a much stronger second half based on the timing of licence renewals and further growth of SaaS solutions.

The following charts highlight the Company’s revenue in both Australian and US currencies for the first half of the 2022 financial year and the six years prior.



The proforma chart above provides an alternate view of revenue by converting term licence and maintenance revenue to a subscription basis and adding other revenue streams including testing solutions and professional services revenue.

The focus for the half was seeding the market with the Company’s new cloud and hybrid solutions. The Company’s go-to-market transition from selling on premise solutions to cloud made good progress. Commission structures for the sales organisation moved toward the concept of rewarding “total contract value” that does not discriminate between on-premise, hybrid or cloud solutions. The Company’s recently released products will be enhanced further over coming months to ensure they continue to provide value to customers.

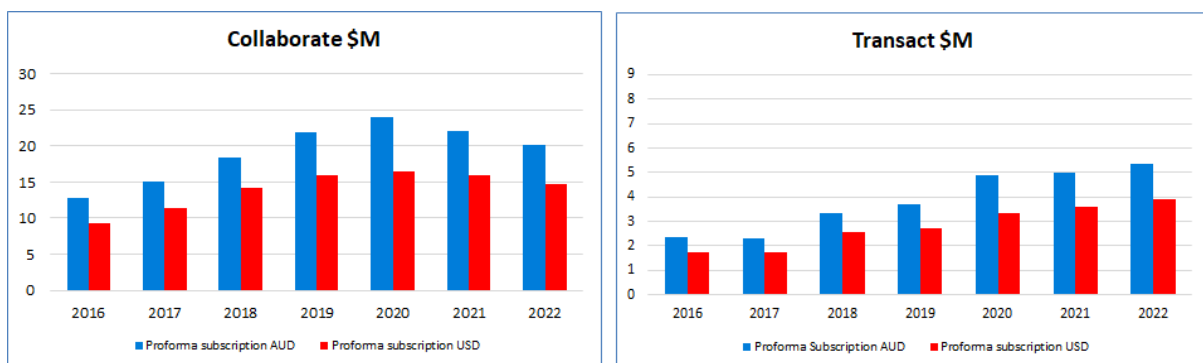
The Company recently announced the partnering with Utelogy to deliver an innovative solution for remote management and monitoring of Unified Communications and video conferencing tools in collaboration spaces. This places IR in a market leader position, as more customers embrace flexible collaboration spaces in the hybrid workplace.



There were 23 new customers added during the period. Significant sales during the year came from customers such as Airbus, Bank of New York Mellon, BT, HCL, Memorial Sloan Kettering, NYPD, Thomson Reuters, and University of Utah.

Peter Lloyd, Chairman of Integrated Research said, “We remain firm to our strategy and innovation agenda. We continue to learn from the changing marketplace both in terms of customer needs and our go to market approach. We have made good progress and are ready to meet the challenges to drive growth over the medium term.”

John Ruthven, Chief Executive Officer said, “Growth in total contract value was uneven for the first half with Asia Pacific and Europe up strongly compared to a dip in the Americas. Green shoots are emerging in our new hybrid and cloud solutions, and we are implementing an Americas turnaround plan. We expect a faster rate of new customer acquisitions in the second half and a higher level of renewals to post annual growth over the prior year.”



The Company’s business model will evolve as cloud and hybrid solutions continue to gain traction in the market. The Company continues to report proforma revenue to convey the underlying performance of the business. The key operating metric for underlying performance is Total Contract Value (TCV). This consists of on-premise licences (including attached maintenance), SaaS, Testing, and professional services.

Total expenses were up 5% to \$34.7 million with higher amortisation costs coming through from the cloud platform. The Company continues to invest in product innovation with gross spend on research and development of \$11.1 million, representing 34% of revenue (December 2020: 30%). Total staff numbers at 31 December 2021 were 224 compared to 264 at 31 December 2020.

The Company benefited from currency exchange movements and credits from the forgiveness of US government loan assistance during the period. Other gains included within profit and loss were \$2.2 million for the half compared to a prior year equivalent loss of \$3.0 million. The Company’s NPAT margin for the first half was 6% compared to 0.4% for the equivalent prior half.

The Company anticipates stronger second half results for the FY22 financial year based on licence renewals, gaining new sales traction on the cloud platform and a turnaround in performance from the Americas.



The table below summarises the Company's key revenue, expense and profit results compared to the previous corresponding period:

| Financial result highlights (\$'000)      | December 2021 | December 2020  | Change        |
|---|---------------|----------------|---------------|
| <b>Total Contract Value</b>               | 31,711        | 29,237         | 8%            |
| <b>Statutory Results:</b>                 |               |                |               |
| Revenue from licence fees                 | 17,992        | 17,104         | 5%            |
| Revenue from maintenance fees             | 7,828         | 10,287         | (24%)         |
| Revenue from subscription fees            | 518           | 125            | 314%          |
| Revenue from testing solution services    | 2,249         | 2,385          | (6%)          |
| Revenue from professional services        | 3,700         | 4,210          | (12%)         |
| <b>Total revenue</b>                      | <b>32,287</b> | <b>34,111</b>  | <b>(5%)</b>   |
| Research & development expenses (net)     | 10,876        | 8,589          | 27%           |
| Sales, prof services & marketing expenses | 20,867        | 21,580         | 3%            |
| General and administrative expenses       | 2,915         | 2,711          | 8%            |
| <b>Total expenses</b>                     | <b>34,658</b> | <b>32,880</b>  | <b>5%</b>     |
| <b>Other gains/(losses)</b>               | <b>2,208</b>  | <b>(2,983)</b> | <b>(174%)</b> |
| <b>Earnings before interest and tax</b>   | <b>(163)</b>  | <b>(1,752)</b> | <b>(91%)</b>  |
| <b>Net profit before income tax</b>       | <b>635</b>    | <b>(1,386)</b> | <b>(146%)</b> |
| <b>Net profit after income tax</b>        | <b>1,788</b>  | <b>129</b>     | <b>1,286%</b> |

## Dividends

The Company's net cash position on 31 December 2021 was \$9.4 million (30 June 21: \$5.5 million). To preserve capital for growth, the Board has not declared a final dividend.

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**About Integrated Research (ASX:IRI)** – Integrated Research (IR) is the leading global provider of user experience and performance management solutions for payments transactions and collaboration systems. We create value through our real-time, scalable & extensible hybrid cloud platform and our deep domain knowledge to optimize operations of mission critical systems and improve user experience through intelligent and actionable insights. We enable many of the world's largest organizations to simplify complexity and provide visibility over systems that millions of people can't live without – systems that allow them to transact and collaborate. For further information on IR, visit [www.ir.com](http://www.ir.com).

